I. **TITLE:** CREDIT AND COLLECTION POLICY – PATIENT ACCOUNTS

II. **PURPOSE:**
To outline general guidelines that allows for a fair and equitable system for credit and collection of payments from patients served by Mountain States Health Alliance (MSHA).

III. **SCOPE:**
All MSHA entities

IV. **FACILITIES/ENTITIES:**
MSHA Corporate
Tennessee: Franklin Woods Community Hospital (FWCH)
    - Indian Path Medical Center (IPMC)
    - Johnson County Community Hospital (JCCH)
    - Johnson City Medical Center (JCMC)
    - Sycamore Shoals Hospital (SSH)
    - Unicoi County Memorial Hospital (UCMH)
    - Woodridge Psychiatric Hospital (WPH)
    - Niswonger Children’s Hospital
    - New Leaf
Virginia: Dickenson Community Hospital (DCH)
    - Johnston Memorial Hospital (JMH)
    - Norton Community Hospital (NCH)
    - Russell County Medical Center (RCMC)
    - Smyth County Community Hospital (SCCH)
    - Clearview Psychiatric Unit
    - Green Oak Behavioral Health (Geriatric Behavioral Health Inpatient Program – DCH)

V. **DEFINITIONS:**
   A. **Self-pay portion:** The amount owed by patients without insurance or deductible
and co-payments required of patients with insurance coverage.

B. **Non-emergent**: If the procedure being ordered is on the established non-emergent classification table or the diagnosis code supporting the order is on the non-emergent code list, the encounter would be deemed non-emergent.

VI. **POLICY**:

A. MSHA has established a strong mission to meet the medical needs of the communities it serves. It is the mission of MSHA to:

1. Treat all patients equally -- with dignity and respect.
2. Evaluate all requests for financial assistance using established general guidelines while allowing for unique financial circumstances.
3. Respond promptly to patient inquiries regarding their bills and requests for financial assistance.
4. Ensure outside collection agencies follow facility/ent entity billing and collection guidelines.
5. Follow a strong collection program that enables MSHA to communicate financial responsibility to the patient prior to service.

B. MSHA has established sound guidelines to provide direction to team members in their interactions with patients and guarantors.

1. Patients receiving services at MSHA facilities will be treated under the payment arrangement and financial options outlined in this policy and in coordination with MSHA’s Financial Assistance Policy (FAP) where applicable.
2. MSHA recognizes its obligation to provide quality health care to those who are unable to pay.
3. In addition, MSHA provides financial counselors to help uninsured patients determine sources of payment for medical bills and to help patients determine eligibility for programs such as TennCare or Medicaid.
4. Patients with no health insurance will receive a discount on their facility/ent entity bills at MSHA.

VII. **PROCEDURE**:

A. Payment arrangements

1. All patients will be required to submit coverage information prior to a service being rendered.
2. MSHA will bill insurance carriers (including managed care plans) as dictated by contracts, after verification of benefits.

B. Pre-Admissions

1. MSHA will pre-admit all patients when possible.
2. The method of payment will be verified prior to the patient’s admission.

C. Non-Emergent Services
1. Patients scheduled for non-emergent services will be evaluated and informed of financial liability PRIOR to admission.

2. The patient will be required to either pay 50% of their estimated out-of-pocket liability or agree to monthly payment arrangements on the full estimated amount, with the first payment due before the service is rendered.

3. If satisfactory payment arrangements cannot be reached with the patient prior to the scheduled procedure time, the procedure will be postponed until acceptable payment arrangements can be established.

D. Emergent Services

1. MSHA will perform emergent services for any patient regardless of their ability to pay.

E. Patient Financial Options

1. MSHA provides the following guidelines for payment options.

2. Financial counselors are available to assist patients and their families with financial help, as needed.
   a. Refer to the MSHA Financial Assistance Policy (FAP) for further details on Financial Assistance, which includes contact information for questions regarding eligibility and application procedures.

F. The following payment options are available at MSHA facilities:

1. Cash Payments
   a. If payment at discharge is not possible, the patient and/or patient's family will be reminded that the balance is due within thirty (30) days of discharge or date of service.

2. Credit Card Payments
   a. MSHA will accept credit card payments for patient balances.
   b. Accepted cards are Visa, MasterCard, American Express and Discover.

3. Pre-Service Pay Discounts
   a. A "pre-service pay" discount of up to 10% may be offered to patients if their liability is $5000 or less.
   b. If the liability is greater than $5000, a maximum discount of $500 can be offered, using the steps outlined in the Financial Counselor Guidelines policy.

4. Catastrophic High Dollar Accounts
   a. In special circumstances, a discount in excess of the established discounting rates can be granted.
      i. When determining this discount, many factors will be taken into consideration including the cost of care rendered and the Medicare inpatient Diagnosis Related Group (DRG) rate, if applicable.
b. This offer requires the approval of the Corporate Business Office Senior Leadership.

5. Insurance Company Requesting Audit
   a. A 5% discount can be offered to a non-contracted payer.
   b. The Managed Care department must be notified of any requests and included in negotiations.
   c. The account must be thoroughly documented to reflect all negotiations.

6. Payment Arrangements
   a. Payment arrangements are available within the following guidelines:
      i. If the balance is less than $500, the patient can make payments up to twenty (20) months, with a minimum monthly payment amount of $25.00.
         1) Account must not be with a collection agency.
      ii. If the balance is greater than $500, the patient can make payments up to thirty-six (36) months but must make a minimum payment of $50.00 per month.
         1) Account must not be with a collection agency.

G. Exceptions to the above:
   1. In extenuating circumstances, the above may be deviated from by Revenue Cycle Senior Management

H. Financial Assistance
   1. MSHA recognizes its obligation to provide quality health care to those who are unable to pay.
   2. Refer to Financial Assistance Policy for detailed information on the MSHA guidelines for receiving financial assistance, including the application process and department contact information.

I. Billing Collections and Extraordinary Collections Actions (ECAs)
   1. MSHA reserves the right to seek collection for hospital bills using generally acceptable collection efforts, including Extraordinary Collections Actions (ECAs).
      a. ECAs include referring unpaid balances to a collection agency, filing claims, placing a lien or foreclosure on an individual’s property, and seeking body attachments, in order to obtain payments.
   2. MSHA will not engage in ECAs before making a reasonable effort to determine if the patient is eligible for financial assistance.
      a. Reasonable efforts to determine whether a patient is eligible for financial assistance include: (i) MSHA representatives notifying the patient of the Financial Assistance Policy (FAP) and financial assistance documents, including the plain language summary and Application for
Financial Assistance; (ii) MSHA representatives notifying the patient of incomplete Applications for Financial Assistance; (iii) MSHA representatives making determinations regarding financial assistance eligibility on complete Applications for Financial Assistance.

b. The Corporate Business Office will be the final authority regarding whether MSHA has taken reasonable efforts to determine if a patient is eligible for financial assistance before initiating ECAs.

3. MSHA will notify the patient of financial assistance by providing the patient with FAP documents, including the plain language summary, before initiating ECAs.

   a. MSHA will not initiate ECAs until 120 days after the date of first post-discharge billing statement.

4. MSHA will give notice to the patient thirty (30) days before initiating ECAs.

5. If no FAP or Application for Financial Assistance is submitted after the later of the periods described in sections VII, H, 3, and 4, above, MSHA may elect to initiate ECAs.

   a. However, MSHA will accept Applications for Financial Assistance for 240 days after the first billing statement is sent to the patient and MSHA will cease any ECAs during the review of any submitted Application for Financial Assistance.

6. All billing and collections activities under this policy are structured to remain in conformance with all applicable federal and state laws and regulations.

LINKS:
Financial Assistance Policy - Reimbursement REIMB-400-003
Financial Counselor - Contracted Medicaid Eligibility Guidelines CB0-400-010